IN THE

Supreme Court of the United States

OCTOBER TERM, 1940

No. 893.

PAYNE FURNACE AND SUPPLY COMPANY, INC., a corporation,

Petitioner,

vs.

WILLIAMS-WALLACE COMPANY, a corporation,

Respondent.

PETITION FOR REHEARING.

To: The Honorable the Chief Justice and the Associate Justices of the Supreme Court of the United States:

Comes now the above named Petitioner, Payne Furnace and Supply Company, Inc., and presents this, its Petition for a Re-hearing of its Petition for a Writ of Certiorari to the United States Circuit Court of Appeals for the Ninth Circuit in the above-entitled cause, and in support thereof respectfully shows:

That its said Petition for Writ of Certiorari was filed in this Court on March 27, 1941; this Court denied said Petition on May 5, 1941.

That re-hearing is sought because of the public importance of an authoritative and final determination of the rights of patentees and of the public under the disclaimer statutes, *R.S.U.S. 4917 and 4922 (35 USCA, Secs. 65 and 71)*, and *R.S.U.S. 973 (28 USCA, Sec. 821)*.

It was early recognized that the decision of this Court in *Altoona Publix Theatres v. American Tri-Ergon Corporation*, 294 U.S. 477, did not finally determine the problems of interpretation and application of said statutes which have been and are perplexing and confusing the courts. This fact was early recognized, as exemplified in an article on the "Editor's Page" of the "JOURNAL OF THE PATENT OFFICE SOCIETY," June, 1935 (Vol. XVII., No. 6, (pp. 439-40)), wherein it was said:–

"Amendatory Disclaimers

"The recent Altoona Publix Theatres v. American Tri-Ergon Corp. decided by the Supreme Court failed to seize a glorious opportunity to cut the Gordian knot in regard to disclaimers in patent law. The Supreme Court could have boldly reformed a great abuse in patent law by abolishing amendatory or qualifying disclaimers in toto. Many years ago Mr. Justice Bradley, who was once a patent attorney, in his brilliant and heroic opinion in Miller v. Bridgeport Brass Co., 104 U.S. 350, judicially reformed the abuses of the reissue practice by establishing the well known rule of laches in regard to broadening reissues. The present disclaimer practice could have been similarly reformed in the Altoona case. The Supreme Court however in holding invalid a claim reciting means broadly for producing a result amended by a disclaimer so as to include specific means went no further than to say:

" 'If a change such as the present could validly be made, it could only be under the provisions of the reissue statute, R. S. 4916, which authorizes the alteration of the original invention in a reissued patent, upon surrender of the old patent, for its un-

expired term. Upon the reissue "the specifications and claims in every such case shall be subject to revision and restriction in the same manner as original applications are." A patent amended by disclaimer thus speaks from the date of the original patent, while the reissued patent, with respect to the amended claim, speaks from the date of reissue. If respondent could thus, by disclaimer, add the flywheel to the arcuate flexing claim and to the optical claim, he would in effect secure a new patent operating retroactively in a manner not permitted by the reissue statute and without subjecting the new claims to revision or restriction by the customary Patent Office procedure required in the case of an original or reissued patent. Such transformation of a patent is plainly not within scope of the disclaimer statute, and the attempted disclaimer as applied to Claims 9 and 13 is void.'

"The Supreme Court could have easily gone one step further and definitely stated amendatory disclaimers should be prohibited pursuing the reasoning given in the above quotation.

"In this issue we publish three different views of this decision which apparently has not helped very much in clarifying the disclaimer practice.

"It is obvious from a study of the cases that the disclaimer statute has been perverted from its original intent by the practice of amending claims by disclaimers and that a cancerous legal super-structure has been permitted to grow on the simple language of the statute. The essential function of disclaimers was to cancel entire claims in order to save the rest of the patent. The practice of amending claims in any way whatsoever should never have been permitted. Under present practice amendatory disclaimers can be filed so as to practically rewrite the claims

without any examination by the Patent Office on the merits. Yet the patentee can assert *prima facie* validity of such claims and proceed against infringers."

In "STATUTORY DISCLAIMERS IN PATENT LAW," by P. J. Federico,* at pp. 41-46 it is said:–

"The second manner of disclaiming, by amending a claim of the patent, presents a number of the most difficult questions in patent law. The following sections, 10 to 21, are concerned with a discussion of these disclaimers, and other sections also relate practically entirely to questions arising therefrom.

"Disclaimers to the specification are discussed in Section 22.

"Sec. 10. Qualifying Disclaimers. There is no apt phrase with which to designate disclaimers which amend or rewrite claims of a patent. They are variously termed *partial, qualifying, amendatory, limiting,* or *speaking disclaimers.* Sometimes the term *finesse* disclaimer is used, in view of the remark that a certain disclaimer 'borders on finesse,' made in *Minerals Separation v. Butte and Superior Mining Co.,* 250 U.S. 336; 1919 C.D. 446; 264 O.G. 791. More recently they have also been called *chiseling* disclaimers, after Judge Tuttle's famous sculptural analogy in *Fruehauf Trailer Co. v. Highway Trailer Co.,* 54 F. (2d) 691; 11 U. S. Pat. Q. 258 (Mich. 1931). For want of a better term they will usually be referred to as qualifying disclaimers.

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*Mr. Federico was an Examiner of the United States Patent Office, a member of the bar of the District of Columbia and his said published work considers solely the disclaimer statutes and the decisions interpretative thereof.

"A qualifying disclaimer does not cancel a claim from a patent but it amends the claim in that it qualifies the scope of the monopoly by restricting it in certain respects. The qualification may restrict the scope of the claim to a subclass only of the broader class defined by the claim, or possibly it may exclude a specific thing from the operation of the claim. Generally these two amount to the same thing, being merely a matter of the language chosen, but occasionally there may be a real distinction between the two.

"There is no fixed style in making a qualifying disclaimer. During the course of the following sections a number of them which arose in decisions of the courts will be quoted. A review of the disclaimers as currently published in the Official Gazette will show a large variety of qualifying disclaimers, some simple, some complicated in statement and nature, and occasionally one extremely bizarre in character.

"The following eleven sections are devoted to a discussion of the validity or invalidity of qualifying disclaimers. THE DECISIONS ON THE SUBJECT ARE HOPELESSLY CONFUSED* but it is believed that they have been arranged and discussed in such a manner that the contradictions and inconsistencies are readily apparent and that the present trend is fairly indicated. Section 11 deals with the source of the authority for making such disclaimers. In Sections 13 and 14 a number of qualifying disclaimers which have been held proper by the courts are discussed. Sections 12 and 15 to 21 deal with certain phases of the subject, principally with rules and regulations which restrict the freedom to amend claims at will. CERTAIN RULES OF RESTRICTION ON QUALIFYING DISCLAIMERS ARE STATED, BUT IN CONNECTION WITH ANY GENERAL STATEMENT WHICH MAY BE PRESENTED AS A RULE

OF RESTRICTION IT MUST BE BORNE IN MIND THAT A DECISION CAN USUALLY BE FOUND WHICH IS DIRECTLY CONTRARY THERETO, OR THE FACTS OF WHICH SHOW THAT THE COURT DID NOT FOLLOW ANY SUCH RULE.*

"Sec. 11. Qualifying Disclaimers. Source of Authority. The statute does not in terms authorize the amendment of a claim by a disclaimer, as distinguished from the cancellation of a claim, and authority for so doing must be found in its general language or intent. As a matter of fact, the language of the statute is so archaic that it can be reasonably interpreted so as to have any desired meaning. The actual intent of the framers of the disclaimer statute probably cannot be determined now, and it is not known whether or not the statute was intended to apply only when several parts of an invention were separately claimed as new, so as to eliminate one of them from the patent. This meaning seems the most reasonable but if the statute did have such an intent it was soon changed in practice, since qualifying disclaimers are found among the earliest disclaimers.

"The three disclaimer sections might be readily interpreted so as to exclude the disclaiming of a part of a claim. For instance the following argument could be made. The third disclaimer section begins: 'When judgment or decree is rendered for the plaintiff or complainant . . . for the infringement of a part of a patent.' The only way this can happen is by a decree or judgment for the infringement of a claim or claims of a patent and therefore 'a part of a patent' means a claim of a patent. The next clause

*Emphasis supplied.

of the same section is: 'in which it appears that the patentee, in his specification, claimed to be the original and first inventor or discoverer of any material or substantial part of the thing patented, of which he was not the original and first inventor. . . .' The only time this can happen is when a court finds a claim of the patent invalid, and consequently 'part of the thing patented,' or 'material and substantial part of the thing patented,' means a claim of the patent. The same phrases, 'part of the patent' and 'part of the thing patented,' occur in the other two sections and, giving them the same meaning, the phrase 'any such patentee . . . may . . . make disclaimer of such parts of the thing patented as he shall not choose to claim or to hold . . .' in the first section must be equivalent to 'any such patentee . . . may . . . make disclaimer of such claims of the patent as he shall not choose to claim or hold . . . .' And in the second section the phrase, 'every such patentee . . . may maintain a suit . . . for the infringement of any part thereof (of the patent), which was *bona fide* his own,' must mean 'every such patentee . . . may maintain a suit . . . for the infringement of any claim thereof. . . .' The phrases which follow the above 'if it is a material and substantial part of the thing patented, and definitely distinguishable from the parts claimed without right,' also are fully consistent with the argument that what is meant is 'claim of the patent.' In other words, the statute only permits the disclaiming of 'part of a patent' and not part of a claim, and 'part of a patent' means 'claim of a patent.'

"In one decision, *Rumford Chemical Works v. Lauer*, Fed. Case 12,135 (N. Y. 1872), Judge Blatchford denied that the statute permitted recovery on a claim amended by disclaimer and held that the statute only applied when one claim was invalid and another claim valid, so that recovery could be had on the latter. The claim involved was, 'I claim, as a new manufacture, the above described pulverulent phosphoric acid.' It developed at the trial that the claim was anticipated. Plaintiff requested that it be allowed to recover on the claim as limited to starch mixed with the acid, since this was described in the specification as the preferred embodiment, and was new. The court stated:

" 'This view was urged, on the idea that the case falls within the ninth section of the Act of March 3, 1837, *(5 U. S. Stat. at Large,* 194,) which provides, that, when a patentee claims, in his specification, (quoting disclaimer statute). This section has no application to the case. It is designed to allow a patentee to recover on one claim of his patent, not withstanding other claims in it are void for want of novelty. But, it requires that the parts claimed without right, and the parts rightfully claimed, shall be definitely distinguishable, as matter of fact, on the face of the claims, that is, be definitely distinguished from each other in the claims. Here, there is no distinction, in the claims, between acid prepared with starch and acid prepared without starch. If there were a claim to the acid prepared with starch, and a separate claim to the acid prepared without starch,

there might, under the statute, be a recovery on the former, although the latter were void for want of novelty, provided there had been no unreasonable delay in filing a disclaimer to the latter.'

"In *Tuck v. Bramhill,* Fed. Case 14,213 (N. Y. 1868), the defendant also contended, in effect, that a claim could not be amended by disclaimer; a disclaimer could only be made when separate inventions were claimed. The claim involved was for two alternative constructions and was written in the alternative; the court, through Judge Blatchford, said that this was the same as two separate claims, one for each construction. With this view a disclaimer limiting the claim to one of the two constructions was held authorized by the statute since it was, in effect, a cancellation of a claim for the other construction.

"The above cases interpret the requirement of the statute that a disclaimer can be made if that which the patentee is entitled to claim as new is 'definitely distinguishable from the parts claimed without right,' as meaning that they must be distinguished in the patent. Since the claims are the only means provided for distinguishing what is new from what is old, they must show the difference, that is, there must be a claim for what is new as well as a claim for what is old, and this latter is to be eliminated by the disclaimer. (See Section 16 for further consideration of this phrase of the statute.)

"The broad issue as to whether or not the statute authorizes the amendment of a claim by a disclaimer

does not appear to have been raised in other decisions. In many cases the particular disclaimer involved is objected to as being improper for various reasons, but it is not usually contended that all disclaimers which amend or rewrite claims are improper. Such disclaimers have been made for so long a time and have been sustained so frequently by the courts, that it is doubtful that such an argument would be successful.

"The Supreme Court has not directly expressed itself on the broad question, although it has sustained several limiting disclaimers, for example in *Minerals Separation v. Butte and Superior Mining Co.,* 250 U.S. 336; 1919 C.D. 466; 264 O.G. 701, from which, by implication, it can be argued that limiting disclaimers are permitted by the statute. And in *Hailes v. Albany Stove Co.,* 123 U.S. 582; 1888 C. D. 177; 42 O.G. 95, occurs the dictum:

" 'Perhaps it (a disclaimer) may be used to limit a claim to a particular class of objects, or even to change the form of a claim which is too broad in its terms; . . .' The suggestion that a claim may be limited is also made in *Union Metallic Cartridge Co. v. United States Cartridge Co.,* 112 U. S. 624; 1885 C. D. 157; 30 O. G. 771.

"In *Altoona Publix Theatres v. American Tri-Ergon Corp.,* 294 U. S.....; 24 U. S. Pat. Q. 308, the Supreme Court held a particular qualifying disclaimer invalid, but it is intimated, or at least not denied, that such disclaimers may sometimes be proper. Part of the reasoning used in holding the dis-

claimer invalid is contained in the following extract from the opinion:

"'A patent amended by disclaimer thus speaks from the date of the original patent, while the re-issued patent, with respect to the amended claim, speaks from the date of re-issue. If the respondent could thus, by disclaimer, add the flywheel to the arcuate flexing claim and to the optical claim, he would in effect secure a new patent operating retroactively in a manner not permitted by the re-issue statute and without subjecting the new claims to revision or restriction by the customary patent office procedure required in the case of an original or re-issued patent. Such transformation of a patent is plainly not within the scope of the disclaimer statute, and the attempted disclaimer as applied to claims 9 and 13 is void.'

"But this reasoning is applicable to all qualifying disclaimers. The amended claim is given a retroactive action (see Section 31), and it has not been subjected to examination by the patent office. If these two facts are sufficient to render any qualifying disclaimer invalid then they would invalidate all of them."

The majority opinion of the Court of Appeals herein does not find that there is any antecedent, in either of the three claims of the patent, for the mechanical elements comprising male and female fittings providing leak-proof joints between sections of composite pipe, saying:– "It will be seen that the claims do not advert to the matter of male and female fittings so as to provide leak-proof

joints. Obviously, as witness the ordinary stovepipe, there is no novelty in a mere leak-proof flue pipe made up of sections having crimped and uncrimped ends." [R. 924; *Cf.* Petitioner's Brief on Petition for Writ of Certiorari, p. 30.] Precisely how the majority of said Court justified the disclaimers herein is not clear from the opinion. The opinion says: –

> "Part of appellant's argument is that the disclaimer here alters the original combination of a single unit pipe into one having a plurality of sections. We do not so understand the matter. The argument would require us to close our eyes entirely to the drawings and specifications of the patent. These have an explanatory or interpretative office not to be ignored. The patent discloses the inventor's conception of a composite pipe adapted—and manifestly intended—to be put together section on section to form a complete flue pipe. The drawings and specifications elucidate the claims in this respect so that no fair doubt remains concerning the nature and object of the combination invented."

A pipe may be composite, *i. e.*, formed of different materials or parts, without being made in sections to be joined together.

The apparent basis of this opinion exemplifies the confusion existent in the decisions of the district courts and courts of appeals. In the *American Tri-Ergon Corporation v. Altoona Publix Theatres, Inc.* case, in the dis-

trict court, the disclaimer therein was held valid for two reasons: "The disclaimer limits the patent and does not enlarge it." "The subject matter of the disclaimer is consistent and in accordance with the teachings of the patent." (5 Fed. Supp. 35.) This is the disclaimer which was held invalid by this Court in the *Altoona Theatres* decision. Yet we find that the Court of Appeals herein has read into the claims of the patent herein involved both the making of the composite pipe in a plurality of sections and the provision of elements or structure that form leak-proof joints. This although, as pointed out in the majority opinion, "the matter of male and female fittings so as to provide leak-proof joints" is not adverted to in the claims. The court attempts to differentiate the decision of this Court in the *Altoona Theatres* case by observing that, "The flywheel was a new part or mechanism. The limitations here are structural or functional.", and the court cites the decisions referred to in the foot-note (3) to p. 490 of this Court's decision in the *Altoona Theatres* case as supporting such interpolation into the claims of the leak-proof joints.

In Respondent's Brief in opposition to the Petition for Writ of Certiorari herein, it was asserted (p. 4) that the Court of Appeals herein "did not disregard the disclaimer. On the contrary, the Court, in construing the patent claims, expressly gave the disclaimer full effect [R. Vol. IV, 933-935]." What effect did the Court of Appeals give to such disclaimers? It specifically found, as we have pointed out heretofore, that, "It will be seen that

the claims do not advert to the matter of male and female fittings so as to provide leak-proof joints. Obviously, as witness the ordinary stovepipe, there is no novelty in a mere leak-proof flue pipe made up of sections having crimped and uncrimped ends." [R. 924.] The said majority opinion finds the novelty in the disclaimed combination of respective patent claims 1, 2 and 3. Yet the patentee has disclaimed that he is the inventor thereof except when such combination is used as a part of another combination including male and female fittings to provide leak-proof joints. As pointed out in Petitioner's original brief (p. 21), the male and female fittings forming leak-proof joints was a combination claimed in rejected application claims 3, 4, 5 and 8 [R. 936], and the majority opinion recognizes that there was no novelty therein. The case therefore presents directly the undecided question: Can a patentee disclaim that he is the inventor of a given subject-matter or combination, and thereafter be heard to assert that the sole patentable novelty disclosed in his patent is in the disclaimed subject-matter? If he can, what then becomes of the limitation of the disclaimer statutes that the part disclaimed must be a material and substantial part of the thing patented and definitely distinguishable from the parts claimed without right? (*Hailes v. Albany Stove Co.,* 123 U. S. 582.)

The confusion as to the proper interpretation of the disclaimer statute we believe is illustrated by the foregoing consideration of the majority opinion in this case.

The Questions Presented by the Case.

The precise questions presented, and which it is asked that this Court shall review, are set forth in the Petitioner's original Petition for Certiorari herein (p. 11).

As stated in the editorial in the Patent Office Journal (*ubi supra*), –

> "It is obvious from a study of the cases that the disclaimer statute has been perverted from its original intent by the practice of amending claims by disclaimers and that a cancerous legal super-structure has been permitted to grow on the simple language of the statute."

That with regard to the validity or invalidity of qualifying disclaimers, the decisions on the subject are hopelessly confused; that in the interests of justice and to prevent the perversion of the disclaimer statutes, the Writ of Certiorari herein prayed should be granted and the conflicts in these respects determined by this Court; that such conflicts are with respect to the interpretation of a Federal statute.

Wherefore, it is prayed that this Court reconsider the Petition for Writ of Certiorari to the Circuit Court of Appeals for the Ninth Circuit herein and grant the same.

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LEONARD S. LYON,
Attorneys for Petitioner.

I hereby certify that the foregoing Petition for Rehearing is filed in good faith and not for the purpose of delay.

FREDERICK S. LYON.

MAY 22 1941
CHARLES ELMORE CROPLEY
CLERK

In the Supreme Court of the United States

October Term, 1940

No. 893

PAYNE FURNACE & SUPPLY CO., INC., a corporation,

Petitioner,

vs.

WILLIAMS-WALLACE COMPANY, a corporation.

On Petition for a Writ of Certiorari to the United States Circuit Court of Appeals for the Ninth Circuit.

Respondent's Memorandum in Opposition to Motion for Leave to File and Petition for Rehearing

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Respondent's Memorandum in Opposition to Motion for Leave to File and Petition for Rehearing

We respectfully ask leave to file this memorandum in opposition to the Motion for Leave to File and Petition for Rehearing of the Order of this Court of May 5, 1941, denying the Petition for a Writ of Certiorari herein.

The Petition for Rehearing consists largely of quotations from an editorial comment on the *Altoona* case and a historical discussion on disclaimers from Federico's textbook. As indicated in the textual matter quoted, all possible questions of law relating to disclaimers have not been passed on to the full satisfaction of some text writers.

However, the questions of law raised by the facts in this case have been answered by decisions of this Court (cited in footnote 2, Brief for Respondent in Opposition, etc., p. 5).

The hypothetical questions set forth in the Petition for Certiorari (p. 11) and repeated in the Petition for Rehearing (pp. 16, 17) likewise are answered by decisions of this Court (cited in footnote 1, Brief for Respondent in Opposition, etc., pp. 3, 4).

The editorial and text quotations apparently are used by Petitioner to attack the soundness of the long established rule of qualifying disclaimers, and Petitioner is now apparently trying to obtain a rehearing on the ground that all qualifying disclaimers are invalid. However, this contention,—which is raised for the first time in this Petition for Rehearing—, is negatived by the quotation itself (Petition for Rehearing, pp. 8, 12):

> "* * * 'qualifying disclaimers are found among the earliest disclaimers.'
>
> " 'Such disclaimers have been made for so long a time and have been sustained so frequently by the courts, that it is doubtful that such an argument would be successful.' "

The metes and bounds of a proper qualifying disclaimer are well defined, and there is no confusion on this branch of disclaimer law.

The problem presented in this case is not a question of law but the application of well settled rules of law to the particular facts of this case. As to this, the Petition for Rehearing, like the Petition for Certiorari, fails to show any conflict of decisions. The question, therefore, is not one which warrants the granting of a Writ of Certiorari.

The issuance of the mandate of the Circuit Court of Appeals has been stayed because of the Petition for Rehearing. We submit that the Petition is without merit and we earnestly request, therefore, that it be ruled on at this term of court, so that no ground shall exist for delaying, until October, the proceedings for an accounting and the effective date of the injunction against further infringement herein.

Respectfully submitted,

A. DONHAM OWEN,
Attorney for Respondent.